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PP RUEHWEB

DE RUEHUM #0578 2100648
ZNR UUUUU ZZH
P 290648Z JUL 06
FM AMEMBASSY ULAANBAATAR
TO RUEHC/SECSTATE WASHDC PRIORITY 0176
INFO RUEHUL/AMEMBASSY SEOUL 2376
RUEHBJ/AMEMBASSY BEIJING 5147
RUEHKO/AMEMBASSY TOKYO 2178

UNCLAS ULAANBAATAR 000578

SIPDIS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [EMIN](#) [SOCI](#) [MG](#)

SUBJECT: Mining Conflict Leads to One Death and Forcible Removal of
8000 Miners

Sensitive But Unclassified -- Not for Internet Distribution

¶1. (SBU) Summary: On July 27, police forcibly removed approximately 8000 artisal, or "ninja," miners from a gold mining area 100 miles northwest of Ulaanbaatar. The removal followed two weeks of sporadic clashes with looting ninjas, including one on July 12 in which one person attacking the compound of a private Mongolian mining company was shot to death. While there have been clashes in the past among companies and ninja miners seeking to work tailings, the size and organization of the clashes surprised and worried observers. End summary.

¶2. (U) The violent clashes occurred in the Zaamar region of Tov aimag, about 100 miles northwest of Ulaanbaatar. Both formal and informal mining activities have intensified in the region over the last decade. Informal "ninja" miners in Zaamar are now estimated to peak at 8000 persons, and hail from a wide range of Mongolian areas. The ninjas mine for gold both in their own primitive, basic excavations and in the tailings left by the formal placer mining companies active throughout the region. In the past, disputes over the tailings have led to minor conflicts.

¶3. (U) According to newspaper reports, the violence began on July 11, when four ninja miners were arrested for forcefully entering the facilities of Monpolimet. Monpolimet was established in 1996 and has become one of Mongolia's top gold producers over the past 10 years. It has control of a significant amount of land in Zaamar. On July 12, the number of attacking ninjas at the Monpolimet mine grew to approximately 500. The mob stole and destroyed a substantial amount of machinery and equipment, with estimates of the warehouse loss alone exceeding \$50,000. The head of Monpolimet's security service unit shot and killed one of the attacking ninjas, a 24-year old male from Khuvsgul aimag. The security head was arrested by police. On July 13, the raids continued, with roughly 1000 ninjas reportedly involved. While the police arrested some of the attackers, they were unable to arrest the 20 alleged ringleaders, who escaped in vehicles lacking license plate numbers. Police said they were identified as being from Khuvsgul aimag. On the night of July 21, over 1000 ninjas reportedly attacked the field of another gold company in Zaamar. However, security and police responded quickly and no damage was reported.

¶4. (SBU) On July 19, MP Damiran told emboffs that groups of ninja miners recently had become very well organized and, he asserted, were mostly led by former convicts. Damiran said that there exists a well organized but technically illegal network for ninjas to sell gold and distribute the profits. In the Monpolimet case, Damiran continued, the gangs raided the mine site for the tailings, but also stole anything that was not tied down -- food stores, brooms, shovels, worker housing, wire, etc. The MP commented that this had been happening in other mines, but in this case Monpolimet fought back and someone got killed. Damiran noted that he was a member of a parliamentary working group to better regulate artisanal miners, and said that he hoped that the fall session of the State Great

Hural would pass the bill.

15. (U) On July 27, a 400-strong contingent of police began to forcibly remove ninja miners from the Zaamar area. The action followed a July 26 press conference in Ulaanbaatar during which the head of the local legislative body blamed the ninja miners for the high local crime rate and environmental damages. She stated that that the 6,000 normal residents of Zaamar were overwhelmed by the larger numbers of ninjas. As a result, she said, the government would take strict action to expel the ninja miners from the area. At the press conference, a government inspector also blamed the ninjas for serious damage to the local environment. A Monpolimet representative at the press conference described the serious damage done in the attacks, while another gold mining company which has had recurrent conflicts with ninjas stated that artisanal miners has stripped 200 kilograms of gold from his company's property in the last three months.

Slutz